

This notice is required by the Privacy Act of 1974, P.L. 3-579, December 31, 1974, 5 U.S.C. Section 552a(e)(3) and the paperwork Reduction Act of 1995, P.L. 104-13, October 1, 1995, 44 U.S.C. 3507."



PUBLIC NOTICE

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SELF-CERTIFICATION AS A RURAL TELEPHONE COMPANY

The Universal Service Order, FCC 97-157 (rel. May 8, 1997), established that, beginning January 1, 1999, rural and non-rural local exchange carriers (LECs) would receive federal universal service support determined by separate mechanisms. Although non-rural LECs will begin receiving federal support based on a forward-looking economic cost mechanism in 1999, rural LECs will continue to receive universal service support, from federal universal service mechanisms, based on their embedded costs at least until 2001. In the Universal Service Order, the Commission stated that in order for a LEC to be considered a rural carrier, it must meet the definition of a rural telephone company in section 3(37) of the Communications Act, as amended (47 U.S.C. § 153(37)).

Section 3(37) states that the term "rural telephone company" means a local exchange carrier operating entity to the extent that such entity—

(A) provides common carrier service to any local exchange carrier study area that does not include either—

(i) any incorporated place of 10,000 inhabitants or more, or any part thereof, based on the most recently available population statistics of the Bureau of the Census; or

(ii) any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census as of August 10, 1993;

(B) provides telephone exchange service, including exchange access, to fewer than 50,000 access lines;

(C) provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines; or

(D) has less than 15 percent of its access lines in communities of more than 50,000 on the date of enactment of the Telecommunications Act of 1996.

Any LEC that seeks to be classified as a rural carrier must, by April 30 of each year, file a letter with the Commission notifying the Commission that the LEC certifies itself to be a rural telephone company and explaining how the carrier meets at least one of the four criteria in the statutory definition. The carrier should also file information supporting its explanation, for example, the number of lines the carrier serves, and state whether it is certified as a rural carrier in its state. All self-certifications will be subject to random verifications of the information provided at any time.

By June 30 of each year, the Commission will acknowledge receipt of the carrier's self-certification as a rural carrier. The Commission will also send the list of carriers certified as rural telephone companies to the Universal Service Administrator by July 31st of each year. If a carrier's status changes so that it becomes ineligible for certification as a rural carrier, that carrier must inform the Commission and the Universal Service Administrator within one month of the change in status.

The notifications of self-certification as a rural telephone company must be sent by April 30 of each year to the Sheryl Todd, Universal Service Branch, Accounting and Audits Division, Federal Communications Commission, 2100 M. St, N.W., 8th Floor, Washington, D.C. 20554; 202/418-7386.

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

May 20, 1998

In Re: Universal Service Proceeding

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Docket No. 97-00888

**STATEMENT OF DIRECTOR MALONE ON ORDER ADDRESSING PHASE I
UNIVERSAL SERVICE
SUPPORT MECHANISM ISSUES IN TENNESSEE**

The Tennessee Regulatory Authority ("TRA") has long recognized the importance of establishing and ensuring affordable state-wide telephone service. These on-going "Universal Service" efforts recognize that affordably priced high quality basic telecommunications services must be preserved in promoting the general welfare, health, safety, and economic development of Tennessee's citizenry. Although a new regulatory paradigm is developing in Tennessee, and indeed the nation, our decisions here recognize and work in concert with this newly emerging environment.

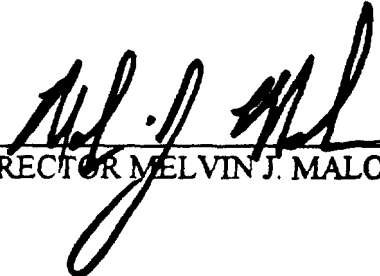
Technological advances in telecommunications, particularly in the areas of digital switching and fiber technology, have resulted in a revived assessment of the public switched network, with emphasis on varying aspects of the network that can now be technologically exploited to allow competition in a previously monopoly environment. To ensure that technology and emerging competition do not outpace universal service concerns, the Tennessee General Assembly enacted § 65-5-207, which provides in part as follows:

(a) Universal service, consisting of residential basic local exchange telephone service at affordable rates and carrier-of-last-resort obligations must be maintained after the local telecommunications markets are opened to competition. In order to ensure the availability of affordable residential basic local exchange telephone service, the authority shall formulate policies, promulgate rules and issue orders which require all telecommunications service providers to contribute to the support of universal service.

As demonstrated in the above-quoted statute, the General Assembly directed the TRA to take appropriate steps to ensure that "residential basic local exchange telephone service at affordable rates" be maintained "after the local telecommunications markets are opened to competition."

Our decisions addressing Phase I Universal Service Support Mechanism Issues further the state's public policy goals and continue to make available statutory services regardless of region, age, income, disability, or regulatory environment.

Structuring a universal service paradigm in today's environment is a formidable and challenging task. We have taken the first step and will remain ever vigilant in facing today's as well as tomorrow's universal service concerns.


DIRECTOR MELVIN J. MALONE

ATTEST:


K. David Waddell, Executive Secretary